

JAN 12 2004

Ms. Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Subject: Oroville Facilities Relicensing, FERC Project No. 2100
Semi-Annual Progress Report

Dear Secretary Salas:

Enclosed are an original and eight CD-ROM copies of the Department of Water Resources' six-month Progress Report to the Federal Energy Regulatory Commission. The Department is submitting this six-month Progress Report, covering the period beginning July 12, 2003 through January 10, 2004, pursuant to FERC's Alternative Licensing Procedures, as required by 18 CFR Section 4.34(6)(ii).

During the reporting period, our primary achievements were as follows:

- obtained Plenary Group consensus on the Negotiations Protocols as an amendment to the Process Protocols as recommended by the Process Protocols Task Force;
- reviewed and categorized numerous Resource Action proposals for either PDEA analysis or settlement consideration;
- initiated early consultation with NOAA Fisheries and the U.S. F.W.S. on Endangered Species Act issues;
- hosted an operations modeling seminar for stakeholders, began sensitivity analyses, and completed benchmark modeling studies, and;
- continued field studies to support the Department's license application.

As our report submittal illustrates, the Department continues to share a voluminous record with the collaborative through its web site posting of reports, meeting summaries that include resource action matrices and narrative descriptive reports, and study plan interim and final reports.

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Finally, we believe our amended Process Protocols have established the framework for a successful settlement negotiation process with stakeholders and are encouraged our PDEA analysis will support our relicensing efforts.

If you have any questions or need additional information, you may contact me at (916) 653-5062.

Sincerely,

**Original Signed By
Raphael Torres for**

Raphael A. Torres, Executive Manager
Oroville Facilities Relicensing Program

Enclosures

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